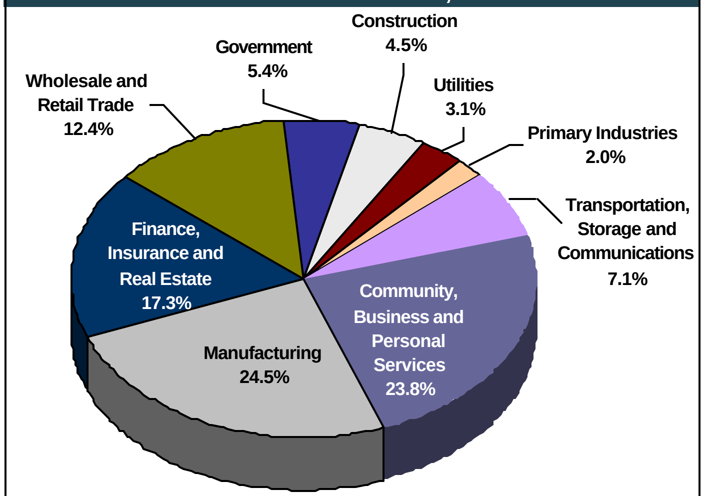
I O I N I T I A I R I I I O I

Financing Authority

ECONOMIC & FISCAL FACT SHEET

July 21, 2000 www.ofina.on.ca

STRUCTURE OF THE ONTARIO ECONOMY, 1999



- Ontario is centrally located in both the Canadian and United States markets.

- Ontario accounts for approximately 42% of Canada's GDP. In 1999, Ontario's GDP was C$398 billion or US$268 billion.

- Ontario is the industrial heartland of Canada, accounting for:

  > 52.3% of Canada's machinery industry

  > 55.2% of Canada's manufacturing output

  > 16.8% of North America's auto assembly

- Toronto, capital of Ontario, is Canada's financial centre and has the third highest concentration of financial services activity in North America.

- As of July 1, 1999, Ontario's population was 11,513,808 or 37.8 per cent of the Canadian population.

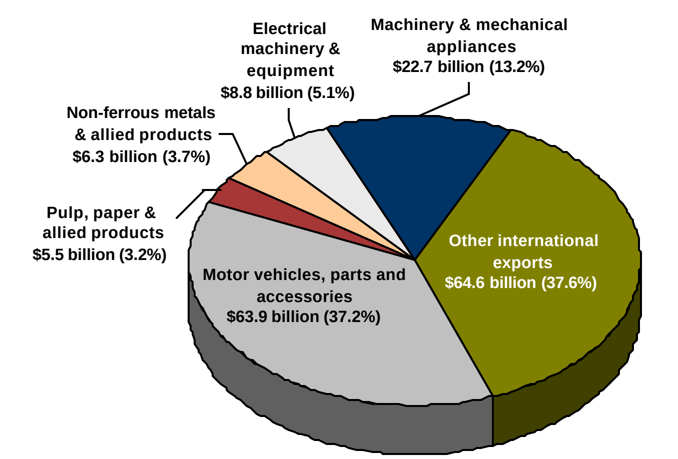
- Ontario's economy is comparable to those of nations like Sweden, Switzerland, Belgium and Austria.

ONTARIO EXPORT SECTOR

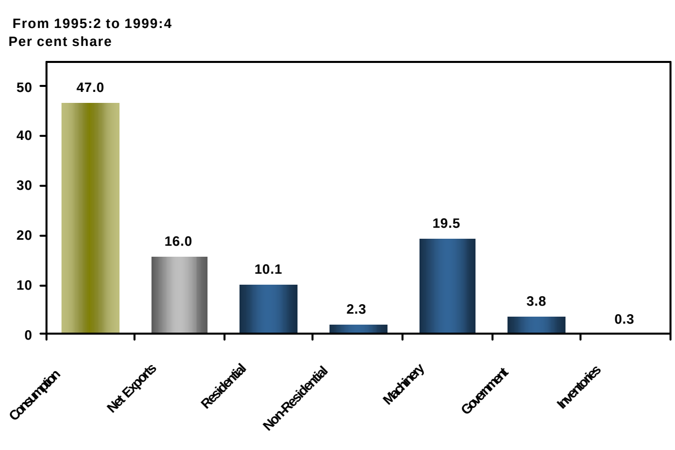
International Export Markets, 1998 (%)

United States	92.2
Western Europe (incl. European Union)	3.8
Asia (incl. Pacific Rim)	1.9
Latin America & Caribbean	1.4
Middle East, Eastern Europe & Africa	0.7

TOP INTERNATIONAL EXPORTS IN 1998



SOURCES OF ECONOMIC GROWTH



Source: Office of Economic Policy, Ontario Ministry of Finance.

ONTARIO'S ECONOMIC OUTLOOK

Per cent (Annual Average)	1998	1999	2000	2001
Real GDP Growth	4.3	5.7	4.6	3.1
CPI Inflation	0.9	1.9	2.5	2.0
Unemployment Rate	7.2	6.3	5.5-6.0	5.0-5.5

Sources: Statistics Canada and Ontario Ministry of Finance.

Economic and Fiscal Fact Sheet is compiled by the Ontario Financing Authority with sources from the Organization of Economic Cooperation and Development (OECD), Statistics Canada, Ontario Ministry of Economic Development and Trade and Ontario Ministry of Finance.

Ontario's Economy is Strong

- The Ontario economy has continued to grow at a healthy pace. Tax cuts, solid job creation and income gains are providing the basis for a sustained expansion. Private-sector economists are, on average, forecasting real growth of 4.8 per cent in 2000.

Tax Cuts Boost Income and Spending

- Tax cuts and strong job creation have increased Ontarians' confidence in their economic prospects and reinforced their willingness and ability to make important investment and spending decisions such as buying a home or purchasing a car.

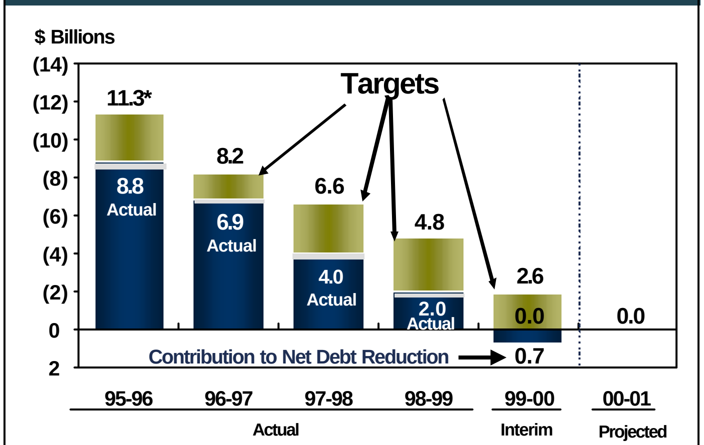
Robust Job Creation

- A record 198,000 jobs were created in 1999, up 3.6 per cent from 1998. The unemployment rate has dropped from 8.7 per cent in mid-1995 to 5.4 per cent in June 2000.

Balanced Budget Achieved One Year Ahead of Schedule

- With a surplus of $654 million in 1999-2000, the Government achieved its Balanced Budget target one year ahead of schedule.
- With balanced budgets in 1999-2000 and 2000-2001, Ontario is on track to record back-to-back balanced budgets for the first time in more than half a century.

BALANCED BUDGET PLAN ACHIEVED ONE YEAR EARLY



*Potential Outlook in June 1995
Source: Ontario Ministry of Finance.

FISCAL SUMMARY

($ Millions)	1999-2000 Interim	2000-01 Budget Plan	Q1 2000-01 Outlook
Revenue	62,472	62,060	62,063
Expenditure			
Programs	47,581	49,525	49,536
Restructuring & Other Charges	226	—	—
Total Program Expenditure	47,807	49,525	49,536
Capital	4,511	2,075	2,067
Public Debt Interest			
Provincial	8,980	8,940	8,940
Ontario Hydro Successor Companies	520	520	520
Total Expenditure	61,818	61,060	61,063
Reserve	—	1,000	1,000
Surplus / (Deficit)	**654**	**0**	**0**

Source: Ontario Ministry of Finance.

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